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BEFORE THE ARIZONA CORPORATIO

IN THE MATTER OF US WEST)
COMMUNICATIONS, INC.'S)
COMPLIANCE WITH SECTION) DOCKET NO.
271 OF THE) T-00000A-97-0238
TELECOMMUNICATIONS ACT)
OF 1996) PROCEDURAL CONFERENCE
-----)

At: Phoenix, Arizona

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

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CCR No. 50353

Prepared for:

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1 BE IT REMEMBERED that the above-entitled
2 and numbered matter came on regularly to be heard
3 before the Arizona Corporation Commission in
4 Hearing Room 1 of said Commission, 1200 West
5 Washington Street Phoenix, Arizona, commencing at
6 11:15 a.m., on the 5th day of March, 2001.

7

8 BEFORE: Acting Assistant Chief Administrative
9 Law Judge Jane L. Rodda

9

APPEARANCES:

10

For Applicant Qwest:

11

Chuck Steese
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Denver, Colorado 80202

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For WorldCom:

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17 For AT&T:

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Richard S. Wolters
(Appearing Telephonically)
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21 For Commission Staff:

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Maureen Scott
Legal Division
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JANICE SCHUTZMAN
CCR No. 50353

1 AACALJ RODDA: Let's go on the record
2 then in docket T-00000A-97-0238 in the matter of
3 U S WEST Communications's compliance with Section
4 271 of the Telecommunications Act of 1996.

5 My name is Jane Rodda, administrative law
6 judge assigned to this matter.

7 And I guess the first thing I'd like to
8 do, since I think I forgot to say, we're here on a
9 procedural conference on AT&T's motion.

10 But anyway, first thing I'd like to do is
11 take the appearances of the parties.

12 On behalf of Qwest.

13 MR. STEESE: Chuck Steese on behalf of
14 Qwest.

15 AACALJ RODDA: On behalf of AT&T.

16 MR. WOLTERS: Richard Wolters on behalf
17 of AT&T.

18 AACALJ RODDA: And on behalf of WorldCom.

19 MR. DIXON: Good morning. Thomas Dixon
20 appearing on behalf of WorldCom and its regulated
21 subsidiaries.

22 AACALJ RODDA: On behalf of Staff.

23 MS. SCOTT: Maureen Scott on behalf of
24 Staff.

25 AACALJ RODDA: Thank you all for coming

1 this morning and helping me with this matter.

2 Mr. Wolters, I guess this is your motion,
3 but can you tell me what, I guess, you know, you
4 filed your motion, we've had some responses, Staff
5 has tried to come up with a compromise.

6 Why don't you tell me what your position
7 is today.

8 MR. WOLTERS: I have talked to Staff
9 earlier today, and I believe that Staff and AT&T
10 fundamentally agree to a process that would work
11 for disputed issues, new law, or law and change of
12 law.

13 I still believe that Qwest has some
14 concerns about the whole concept of bringing issues
15 in from other jurisdictions that were not raised in
16 Arizona. So I think fundamentally, I think Qwest
17 still has some opposition to what AT&T proposes.

18 But I think as far as Staff and AT&T, I
19 think we could draft a written proposal that would,
20 or draft order that would reflect our positions.

21 I think we still have some convincing of
22 Qwest to do to get them to go along with that.

23 AACALJ RODDA: Well, why don't you tell
24 me what your proposal is and then I'll ask Qwest
25 what their position is.

1 MR. WOLTERS: I'll try to do that as best
2 I can.

3 I think AT&T's proposal, when a party
4 finds out about law that it was not aware of during
5 the Workshop process, that they should be able to
6 bring that new law in to the attention of the
7 Commission at any time.

8 With a change of law we believe that
9 should be the same, that any time there is a change
10 of law, a party should be able to bring that to the
11 attention of the Commission and allow them to
12 determine whether that additional legal authority
13 or the new change of law would impact its decision
14 or prior decision on whether Qwest has met a
15 certain checklist item or not.

16 As far as the disputed issue that was
17 raised in another jurisdiction that was not raised
18 in Arizona, AT&T believes that that disputed issue
19 should be brought forward to the Commission in
20 Arizona and give them an opportunity to render a
21 decision for Arizona on that disputed issue.

22 There was a proposed AT&T reply that
23 essentially what would happen is the CLEC wishing
24 to do that would have to file comments within 10
25 business days of when an issue, disputed issue in

1 another jurisdiction went to impasse. So if that
2 issue is not raised in Arizona, they would have 10
3 days stays from that issue going into impasse in
4 another jurisdiction to file comments with the
5 Staff generally identifying the issue and briefly
6 summarize the CLEC/Qwest position on the issue.

7 Now, offline there was some discussions
8 with Staff about how that would address factual
9 issues. And I believe Staff and AT&T and I are
10 agreeable to attaching the transcript from the
11 jurisdiction, and I think I'd have to say
12 jurisdictions, that took the issue to impasse.

13 So if it went impasse in -- well, I guess
14 it's the first state that went to impasse. So
15 attach the transcript from that state along with
16 the comments and send them to Staff and Staff would
17 do a report.

18 Now one of the things Staff raised in
19 their motion or response was the issue of the
20 parties should have been aware of the issue or were
21 they aware or should they have been aware of the
22 issue. And there was some difficulty that I have
23 with that standard, and I think I described those
24 problems in my reply.

25 I believe Staff is willing to use a

1 standard, whether it is 271 or 251 affecting, and
2 AT&T would be willing to use that standard.

3 When we filed our comments, once again we
4 identified the issue, we submitted those comments.
5 I think we need to add a reply round, give parties
6 a week to reply and then Staff would look at that
7 and determine whether it is 251 or 271 affecting
8 and then draft its report. If they believe it was
9 not 251 or 271 affecting, that would be their
10 conclusion.

11 I'm not sure we totally discussed how
12 that would proceed, but I think what would, it was
13 agreed that if Staff reached an agreement that it
14 was not 251 or 271 affecting, that the company or
15 CLEC would still be free to raise that issue at the
16 FCC and the Staff would not take objection to
17 that.

18 So if I could sum up this last part the
19 best I can, the CLEC would file comments stating
20 what the disputed issue is within 10 business days,
21 they would attach the transcript from the
22 jurisdiction that it went to impasse, they would
23 file those comments, parties would have seven days
24 to file replies. Also the CLECs should in their
25 comments explain why they believe it's 251 or 271

1 affecting.

2 It would go to Staff after comments,
3 reply comments and they would draft a report. If
4 they believed it was 251 or 271 affecting, they
5 would file their report and it would go through the
6 disputed process in the present procedural order.

7 If there was a decision by Staff that it
8 was not 271 or 251 affecting, I think the parties
9 should have the opportunities to file a formal
10 motion with the hearing division.

11 I think that pretty much sums up our
12 position.

13 Now, in our comments, initial motion, we
14 filed the issue about new issues, and I think that
15 has not really had any discussion about whether an
16 issue wanted to be raised that's new that was not
17 raised in any other jurisdiction, I think that has
18 not been discussed very well.

19 But I think AT&T would be willing to say
20 that if Workshop has been closed and the Commission
21 has rendered an order, that the parties be
22 responsible for filing a formal motion with the
23 division, I mean the hearing division. I think
24 that's essentially an option anybody has at any
25 time and it would just go through that process.

1 AACALJ RODDA: Okay. Thank you.

2 Mr. Steese, do you have --

3 MR. STEESE: I have a response, sure.

4 MR. WOLTERS: I cannot hear anybody
5 speaking.

6 AACALJ RODDA: No one is speaking. We're
7 just trying to find a microphone that works.

8 MR. WOLTERS: Ask Mr. Dixon to share.

9 MR. STEESE: Rick, can you hear me?

10 MR. WOLTERS: Go ahead, Chuck.

11 MR. STEESE: Basically what Qwest is here
12 to talk about is the issue of what we think is
13 fairness. We started the 271 process in this state
14 in January of 1999, two years ago. We've been
15 going through Workshops now since September of 1999
16 in one form or another.

17 We've had weeks of Workshops in OSS, we
18 had two weeks of Workshops in the first seven
19 checklist items scattered throughout a couple of
20 months, we've had 10 days of Workshops on checklist
21 items one and 14, we've had eight days of Workshops
22 on emerging services, we've had seven days of
23 Workshop on UNE combo, switching and transport with
24 five more to come. Starting this week, we have 10
25 days of Workshops on loops and number portability.

1 After those Workshops we have three days
2 of Workshops on general terms and conditions,
3 forecasting and the BFR process and a week on
4 public interest and track A.

5 When you add all of that up, we're going
6 to be into 60 days of Workshop time frame, 12 full
7 weeks of time for people to raise issues. And now
8 what we're hearing is we might have missed
9 something, and if we might have missed something,
10 we need an opportunity to find a way to raise it
11 later on.

12 Well, the Workshops, as a general rule,
13 have been working fairly well, but there have been
14 at least two Workshops that I recall that I was in
15 personally where the only technical witnesses were
16 Qwest's, the only witnesses were Qwest's, and all
17 the other parties brought was lawyers. And now
18 they're saying: But we want to potentially raise
19 other issues.

20 We think that's a shame on them. Focus
21 on the issue when you're in the Workshop.

22 In addition to that, Qwest is very
23 concerned that this is going, if we actually adopt
24 AT&T's motion, there is going to be less of an
25 incentive than there already is to actually file

1 comments in a timely way.

2 We started out the process and parties
3 were filing timely comments, and this really does
4 not apply to AT&T and WorldCom as much, but we have
5 parties now raising issues orally in rebuttal at
6 the Workshop. And think about what incentive there
7 is going to be to raise issues if they can raise it
8 at any time, at any place.

9 And so that is the crux of our
10 frustration. I mean we deal with so many scores of
11 issues, it's unbelievable. Issues that go way
12 beyond the requirements of 251 and 271, and we deal
13 with them on the merits. If they go to impasse,
14 our brief might be we shouldn't deal with this,
15 it's not a legal requirement. But we deal with
16 them in the Workshop on the merits.

17 And we have been there, like I said, and
18 by the time this process is over, it will be more
19 than 60 days, not counting OSS.

20 We believe the only appropriate standard
21 is if there was something they didn't have at the
22 time, was there facts that are new, is there law
23 that's new, a new requirement. And we have shown
24 that we are willing to deal with those issues.

25 In January of 2001 the FCC issued a new

1 decision supplemental order on line sharing. And
2 in it they established for the first time a
3 requirement to line share over fiber.

4 Without getting into what that means,
5 because everyone is still trying to figure it out,
6 the simple fact is we're dealing with it on the
7 merits and understand that we have to. Because
8 there is no way the CLECs could have raised that in
9 the Workshop process because it came, a new
10 decision came along.

11 Similarly, if someone could bring forth
12 knew facts that said, you know, I was dealing with
13 Qwest on this issue and now we have this new
14 problem, you know, in the past we didn't have this
15 collocation issue but now they're rejecting our
16 applications out of hand for X reason and it's
17 brand new issue, that would be fair because they
18 wouldn't have had an opportunity to raise it.

19 But if the issue is where they not only
20 had an opportunity to raise it, but in many
21 instances did in one form or another and now
22 they're coming back and saying, you know what, we
23 didn't like the deal we struck, and that's where we
24 are today.

25 Example: On checklist item three which

1 is access to poles, ducts, conduits, rights of way
2 there was a FCC rule. That FCC rule says 45 days
3 to do an inquiry for poles, ducts, conduits, rights
4 of way. And we sat down, based on that very rule,
5 and negotiated an agreement with the participants
6 which included AT&T and WorldCom.

7 And what it is is a graduated schedule,
8 45 days for what Qwest believed was a reasonable
9 request. But if literally you're asking for
10 conduit from one side of the state to another, from
11 Tucson to Flagstaff, it's going to take more time
12 than 45 days to go in and check every conduit or
13 every pole attachment. And we've had requests
14 literally that have come in that have been hundreds
15 and hundreds of miles long. And they voluntarily,
16 based on the rule, negotiated an agreement. And we
17 memorialized that agreement in our SGAT.

18 And then in other states they went we
19 really didn't like the deal we struck, fine, and we
20 didn't like it, but in those states they raised the
21 issue, we dealt with it on the merits, we're
22 briefing it.

23 Here now they want to come back and
24 re-raise this issue that they agreed to. And what
25 makes that much more frustrating to us is the FCC

1 has granted 271 to Southwestern Bell in Texas and
2 they used a very similar graduated scale. If
3 anything, it's more, it's less progressive to the
4 CLECs than ours.

5 And so when we hear someone say the legal
6 standard should be 251 or 271 affecting, they're
7 going to argue everything is 271 or 251 affecting.
8 And that's why we think the standard should be is
9 there new law, are there new facts, if they are,
10 you're free to raise them.

11 AACALJ RODDA: I'm sorry, the example you
12 just gave me, that was something that had been
13 negotiated in Arizona?

14 MR. STEESE: In Arizona.

15 AACALJ RODDA: And in other jurisdictions
16 they were arguing it anew?

17 MR. STEESE: They argued, they said we
18 didn't like the deal we struck, we're not going to
19 live with that.

20 AACALJ RODDA: Isn't that different than
21 an issue that's raised the first time in another
22 jurisdiction that hadn't been addressed in
23 Arizona?

24 MR. STEESE: Arguably, yes. But the
25 thing is the only difference is one of semantics.

1 If the law is there, and we never, they
2 never even saw fit to raise it, I would say a
3 fortiori it applies thereto. If there is law on
4 the subject, if there are facts on the subject, you
5 need to do your due diligence in advance, find out
6 what your issues are and bring them here.

7 And it's just statutes of limitation. We
8 as lawyers deal with this all the time. The simple
9 fact is, if you go into a judge and you say, you
10 know, I wasn't aware of that, I know it was out
11 there, it was public knowledge, but I just didn't
12 do my homework, I know what a judge is going to do
13 on a statute of limitations argument, he's going to
14 say you're out of here. You had the opportunity to
15 raise it and you did not.

16 And so we, Qwest, have been more than
17 willing to deal with issues in these Workshops.
18 Haven't liked every issue that comes up, we don't
19 reach -- we reached consensus on many items. But
20 the only way we can keep people focused on the
21 issues is to require them to do their homework in
22 advance.

23 Last, and this is very important, if they
24 don't raise it here, is this issue forever gone, is
25 there no way they can raise these issues? Of

1 course not.

2 When you look at the law, what we're in
3 there doing is, and what all these impasse issues
4 come under is the SGAT, the Statement of Generally
5 Available Terms and Conditions. It is our standard
6 contract offer.

7 AT&T and WorldCom can go in and say I
8 like everything except these five provisions and I
9 want to negotiate over these five provisions. And
10 to the extent that those are their five issues they
11 failed to raise, they're not prejudiced, they get
12 to deal with us and we're required to negotiate in
13 good faith, which we will do.

14 And to the extent that we don't agree, we
15 go sorry, won't do it, we disagree. Do they still
16 have opportunities? Of course. Then they can
17 still arbitrate under the Act.

18 So by failing to raise an issue here, it
19 just means 271 can move along. It does not mean
20 that they are forever precluded from raising an
21 issue.

22 And when you look at the balance of
23 things, how can you keep 271 moving while not
24 prejudicing the CLECs, we think that's the
25 appropriate thing to do. The 271, raise your

1 issues, raise them in the Workshops. If you don't
2 raise them, you've lost them. However, new law,
3 new facts, free to raise. Of course, CLECs, you
4 always have the opportunity to negotiate. You
5 always have the opportunity, if you don't like it,
6 to arbitrate and so you really haven't lost
7 anything. Just focus on 271 the way it was meant
8 to be focused on.

9 AACALJ RODDA: Let me ask Miss Scott
10 this: Is what AT&T generally proposed, is this
11 something important that, I mean is it Staff's
12 position that whatever new issues that arise in
13 other jurisdictions needs to be considered in
14 Arizona?

15 MS. SCOTT: Staff believes that because
16 of the way this Workshop process has developed on a
17 region-wide basis, where the parties will come to
18 Arizona, for instance this week, establish a record
19 on loops, LNP, those same parties will use this
20 record as a starting point for their negotiations
21 and discussions for instance in the Oregon
22 Workshop, which may be conducted next week, and
23 then they will use the Oregon transcript to go to
24 Washington.

25 So essentially, it's turned out to be a

1 cumulative process between the states. And for
2 that reason, Staff believes that it is important to
3 look at disputed issues that arise in these other
4 state Workshops for the first time.

5 However, in fairness to Qwest, Staff does
6 believe that there should be a standard that's used
7 and that the process that's put in place to address
8 these issues is as expedited as possible.

9 The standard that Staff proposed for
10 legal issues it now believes should be applied
11 across the board. Because I think as Mr. Wolters
12 pointed out in his response to our reply, the
13 standard we had originally proposed for factual
14 issues was was the party aware of it at the time or
15 should they have been aware of it Staff now
16 believes may be unworkable and may just generate a
17 lot of disputes as to what that means.

18 So what Staff proposes instead is just to
19 use the standard is this an 271 or 251 affecting
20 issue. In other words does it call into question
21 Qwest's compliance under either Section 271 or 251
22 of the Act.

23 In response to Mr. Steese's concern that
24 this is going to engender a lot of delay and result
25 in many more days of Workshops, Mr. Wolters and I

1 spoke this morning about that. Staff conveyed its
2 concern that we come up with a process that was
3 fair to Qwest in that regard and that is the
4 agreement that was reached there, was that we would
5 use the impasse record that was developed in the
6 other state Workshops. That way there would not be
7 a need for additional Workshops in Arizona.

8 We would, the parties would rely on that
9 record, would submit that record and their briefs
10 within a ten day period. Other parties could be
11 allowed to reply in seven days and then Staff would
12 come out with its supplemental report to the
13 hearing division in 10 days.

14 And Staff also agrees with both parties
15 that new law, new facts or change toes law should
16 definitely come in.

17 AACALJ RODDA: Does it matter, I guess
18 I'll just ask you Maureen: Does it matter when in
19 the process the new issues are raised, whether it's
20 after Workshop is closed but before there is a
21 Staff report or after a Staff report or after a
22 Commission decision? And if it doesn't matter when
23 in the process, it can raise these issues even
24 after a final decision Commission, what does the
25 final Commission decision mean then?

1 MS. SCOTT: I think that the past
2 decisions of the Commission goes on the checklist
3 items. In particular if we take a look at seven,
4 three and 10, where this issue did arise, the
5 Commission's final reports were contingent upon the
6 hearing division addressing this issue of whether
7 or not disputed issues could come in.

8 I think the way I have always looked at
9 this, and the other parties may differ, I think the
10 Commission's original orders would still stand.
11 That is at that time either Qwest did or did not
12 comply with the checklist items and met the 271
13 requirements.

14 What the supplemental reports then would
15 do would be to build upon that. And depending upon
16 the issues raised, the supplemental reports would
17 either say Qwest, you need to do something
18 additional to meet this 271 standard now so this is
19 what we order you to do, or we don't believe that
20 Qwest needs to do anything additional, that Qwest,
21 we don't find merit in the arguments that are
22 presented by AT&T or WorldCom, as an example, and
23 therefore Qwest doesn't need to do anything
24 further.

25 AACALJ RODDA: Have other jurisdictions

1 addressed this issue or is this --

2 MS. SCOTT: That may be a question that
3 would be better posed to either Chuck or Rick or
4 Tom.

5 MR. STEESE: Other Commissions done
6 this?

7 AACALJ RODDA: Other jurisdictions
8 addressed the issue like after their Workshops have
9 closed and Arizona raises an issue?

10 MR. STEESE: The other procedural orders
11 that do exist are much more like what we have in
12 Arizona today, where you have time frames for
13 addressing issues, time frames for raising issues
14 and time frames for getting resolution of issues.

15 So while no one has addressed this
16 directly, this motion by AT&T has been filed in
17 Arizona only, Qwest does think that the resolution
18 would be the same. I mean it would be impossible
19 for us to say sorry, you didn't raise the line
20 sharing order that didn't come out until after the
21 Workshop was finished. We couldn't do that.

22 And so if you look, we think that the
23 Arizona order is presently aligned directly with
24 all of the other orders.

25 And one other thing I might add. AT&T

1 has argued that state specific issues in the seven
2 state Workshop should await the state and not be
3 dealt with in the group. And the states that have
4 addressed that rejected that. They have said the
5 state specific issues need to be raised during the
6 course of the Workshop and failure to raise them
7 puts you at risk.

8 And what that means, time will tell,
9 we're not far enough along to know. But the
10 suggestion is the time to raise issues is in the
11 Workshop, and we think that is the right response.

12 AACALJ RODDA: Mr. Wolters, did you have
13 anything? Just a minute, I'm sorry.

14 MR. WOLTERS: I'd like Mr. Dixon to have
15 an opportunity to go before I would respond.

16 MR. DIXON: You saw my hand, Rick, I had
17 it raised.

18 AACALJ RODDA: How did you know he had
19 his hand raised, that's amazing.

20 MR. DIXON: I think Rick is the only one
21 on the phone.

22 Just a couple comments. First we
23 obviously concurred in AT&T's original motion and
24 filed a separate concurrence so stating.

25 I think, what I think you need to focus

1 on is, first of all, this is not a traditional
2 adjudicatory proceeding before the Commission. It
3 is far from a normal adjudicatory hearing where we
4 go through the standard due process for an
5 adjudicatory hearing. It is something different
6 from a traditional rulemaking where the rules tend
7 to be relaxed somewhat.

8 This is something that's very unique
9 which most Commissions have noted in the process.
10 In fact that's exactly why we're doing Workshops as
11 opposed to formal testimony with formal
12 cross-examination.

13 Also, this is an ongoing proceeding.
14 We're not doing a separate docket for each
15 checklist item or groups of checklist items but
16 rather we're dealing with one docket that's been
17 going on.

18 And I would agree with Mr. Steese,
19 because I've sat through most of those Workshops as
20 well as the OSS ones, that has involved many, many
21 hours. So I don't think the statute of limitations
22 argument that Mr. Steese raises is particularly
23 applicable here because, first of all, the
24 proceeding is not even done. It is ongoing and
25 will continue, as Mr. Steese pointed out, to go on

1 with Workshops that will address other checklist
2 items as well as other matters that are addressed
3 in the SGAT in general.

4 While I understand Mr. Steese's concerns
5 about wrapping things up, and I absolutely agree
6 that the intent of the parties should be to raise
7 all issues possible during the Workshop process, I
8 mean that's certainly, I think that's consistent
9 with good faith negotiation, and while given the
10 nature of these proceedings I'm not sure how that
11 standard applies since we're not really arbitrating
12 an interconnection agreement.

13 I think we're operating in a very similar
14 mode and the parties have, if not a legal
15 obligation, certainly an effort to try and operate
16 in good faith during these proceedings, and I
17 honestly believe that has occurred from all
18 parties' perspective.

19 I think the concept that allowing this
20 type of activity to occur, that is what AT&T and
21 WorldCom concurs in, that is addressing matters
22 after a Workshop is concluded on a particular
23 checklist item or group of checklist items.

24 If we were to in fact withhold evidence
25 and play games, I think we're running up afoul of a

1 bad faith process. And while there may not be a
2 direct legal obligation to do so, since we're not
3 arbitrating a particular agreement, I think it's
4 something the Commission could take into account
5 certainly if there was a demonstration that a party
6 was sitting here and intentionally holding back
7 evidence or holding back the process with the
8 effort of either finally dropping it on the
9 Commission or the hearing division at the last
10 minute or worse yet going up to the FCC and raise
11 these issues for the first time. And I don't think
12 that would be successful either at this Commission
13 or the FCC.

14 The FCC has clearly indicated it intends
15 to grant substantial deference to what the states
16 recommend during this proceeds.

17 I think what Mr. Steese raises clearly
18 reflects the complexity of the issues we're dealing
19 with. He takes, for example, the January decision
20 that he referenced that came out and said we're all
21 trying to work through that decision and no one
22 understands it completely and we're all trying to
23 interpret it.

24 Well, picture doing SGAT language which
25 is nothing more than a mini arbitration -- M-I-N-I

1 arbitration -- although there are many, M-A-N-Y,
2 meetings going on, but it's a mini arbitration
3 where we get new language shortly before Workshops,
4 we get new SGAT sections shortly before Workshops.
5 Sometimes we get language in the Workshops for the
6 first time.

7 By the same token, I'm not trying to cast
8 aspersions, a lot of that language is intended to
9 address concerns raised by the parties.

10 My point is we're trying to deal with
11 these issues on the fly, and that's what it's
12 become.

13 Yes, Arizona was the very first state to
14 start. So why are you the only one with the motion
15 in front of you? Because we've all gotten smarter
16 in some respects, because in other Workshops issues
17 are developed and agreements are reached which
18 Qwest has already agreed to bring back in to the
19 Arizona process, which to me is an acknowledgment
20 in part that these are complex and that the intent
21 here is potentially to have perhaps a region-wide
22 SGAT, even though each individual state in fact is
23 dealing with these issues.

24 So I think from the standpoint of that
25 this is not a traditional proceeding, that we're in

1 an on-going process, we haven't gotten to a final
2 decision on anything. We have decisions issued by
3 the Commission on various checklist items, and I
4 would suggest that until a final recommendation is
5 issued by the Commission to more precisely answer
6 the question you threw to Miss Scott, I think at
7 least parties have the opportunity to raise
8 issues.

9 They may, I think they need to give a
10 basis. I just don't think they can drop something
11 on and say hey, we decided to raise this now. I
12 think there has to be some showing of good faith,
13 some showing that the issue has been raised or come
14 up in some other jurisdiction and in fact it was
15 something either that we have not discussed
16 otherwise or is relevant, and more particularly as
17 Miss Scott says to 271 or 251 compliance.

18 And those type issues, when I think about
19 those, are what I would call factual issues where
20 maybe someone is going put new facts, new evidence
21 in the record.

22 As a practical matter, I believe parties
23 can argue law throughout the conclusion of these
24 proceedings, even if they didn't argue it in a
25 particular Workshop through inadvertence,

1 negligent, whatever reason, assuming it isn't bad
2 faith and intentional withholding.

3 My point, and a good example of that, and
4 I'm the first to confess, Mr. Steese's example of
5 the 45 day interval for access to poles, ducts and
6 right of ways, et cetera, is an issue that
7 WorldCom, quite frankly, signed off on the
8 amendments and the documents that Mr. Steese has
9 made reference to in Washington. Because our
10 technical people raised an issue about whether or
11 not that was consistent with the law as they now
12 understood it in view of a decision that had been
13 issued concerning Cavalier Telephone versus
14 Virginia Electric and Power that was issued June 7
15 of 2000.

16 After our Workshops on these issues had
17 been concluded, we raised the issue. You know, I
18 threw myself to the mercy of the Workshop, I said
19 we screwed up. We made a misstatement, we found
20 the case that tells us something different than
21 what we negotiated. I beg for your indulgence.

22 And in every other state we've raised the
23 issue once we made that determination, but Arizona
24 was too large, we were through the Workshop
25 process. So we've raise the issue. But we

1 consider it a legal issue.

2 While Mr. Steese is arguing about the
3 substance of that, and I'm not going to argue
4 whether or not, the FCC's interpretation of what
5 the rule says, that's not what I'm here to do.
6 What I am here to say is we think that's a legal
7 issue. The rule says what it says. A case, at
8 least one case interprets that particular rule. We
9 think we can raise that even if it's after the fact
10 because it's a legal issue.

11 I'm not here asking to bring a witness in
12 to testify factually on issues, I simply will argue
13 as a legal issue whether or not the SGAT is
14 compliant with the requirements of that case and
15 consequently whether that, if not directly impacts
16 271 compliance or approval.

17 So I think of that one, that example of
18 being one of the legal-type issues as opposed to a
19 factual issue.

20 But I do understand AT&T certainly
21 raising potentially, and we concur, that there
22 could be factual issues that come up because of
23 activity in other Workshops.

24 I take issue with Mr. Steese's statement
25 that to conclude these Workshops and effectively

1 say that when something is done we're at a final
2 point, we've hit finality in terms of taking action
3 that that doesn't prejudice anyone, I disagree. I
4 think it prejudices, particularly if Qwest is
5 prematurely allowed to enter the long distance
6 market under 271. I think that's prejudicial and I
7 don't think that that's what was intended by the
8 FCC or federal Telecommunications Act of 1996.

9 So while we can negotiate our individual
10 contracts, and I absolutely agree that's out there,
11 that does not address the real issue in case, which
12 is entry into the long distance market by Qwest and
13 whether they have complied with the various legal
14 requirements under Sections 271 and 251.

15 So I would contend certainly that because
16 this is not a traditional proceeding and it's
17 ongoing, we should have the opportunity to raise
18 issues that we did not raise earlier if we make an
19 appropriate showing to the Commission.

20 And I basically concur with the Staff's
21 approach in terms of timing, although I might like
22 a little more than 10 calendar days as Mr. Wolters
23 has indicated in his Workshop, in his memorandum in
24 response to Qwest and Staff's responses.

25 I'll be in these Workshops this week.

1 I'll be in, I happen to have a vacation next week
2 so I won't count that, but the following week I'm
3 back in Workshops. It's pretty much a weekly
4 ordeal, even for me, and I'm not even thinking
5 about the small companies like the DLECs, the
6 Rhythms, the Covads that do come in on a piecemeal
7 basis. They can't sit through these entire
8 proceedings. And come in on short notice. Which
9 is exactly what Chuck is talking about, Mr. Steese
10 is talking about, where suddenly issues come up
11 that weren't necessarily prefiled.

12 So we believe under, because of the
13 nontraditional nature of this proceeding, AT&T's
14 motion is appropriate. WorldCom concurs in it.
15 And we would generally agree with the proposals
16 that Staff and AT&T reached, at least offline to
17 some degree, and from what I've heard sounds
18 consistent with what WorldCom would be willing to
19 accept.

20 AACALJ RODDA: Let me make sure, maybe
21 I'll ask Mr. Steese this.

22 Arizona Workshops are closed and there is
23 an issue in another jurisdiction, a new issue.
24 Qwest has agreed -- and the party, there is no
25 impact, I mean the parties work it out.

1 Now Qwest has agreed that that change,
2 that SGAT language can come into Arizona, is
3 that --

4 MR. STEESE: So long as no parties
5 object.

6 AACALJ RODDA: No parties in Arizona
7 object.

8 MR. STEESE: The whole point is you need
9 to attend the Workshops here. I mean there are
10 some unique parties in each state, not every state,
11 virtually every state. And so if you bring in
12 consensus language from Oregon, let's say, into
13 Arizona and a party objects and says I wasn't party
14 to that, I don't want to do that, it would be hard
15 pressed to force it upon, you know, Arizona since
16 we did have an opportunity for parties to
17 participate there. But that's the only exception.

18 AACALJ RODDA: But then your position is
19 there is an impasse in the other state, and it's
20 not new fact or it's not new law, as you define new
21 fact and new law, they're just out of luck in
22 Arizona, Arizona just goes on.

23 MR. STEESE: I mean new fact and new law
24 in the broadest of senses.

25 I want to respond very briefly to

1 Mr. Dixon's comments about the Cavalier decision.
2 While I was not privy to those negotiations, I did
3 speak at some length with the party who was and the
4 Cavalier decision came up in the negotiations for
5 Arizona. And it was specifically discussed and the
6 agreement was modified to account for that
7 decision.

8 And so while the Workshops ended in
9 March, the agreement wasn't struck until late June
10 on checklist item three.

11 And so when we mean new law, we truly
12 mean new law. We don't mean new law but some new
13 decision comes out that changes things, but we
14 don't want to look at that. New facts, new law, in
15 the context that you would think of it is what
16 we're intending. So it's not some limitation on
17 new facts, new law.

18 AACALJ RODDA: So whatever the Commission
19 here decides on this procedure is going to affect
20 checklist items three, seven and 10 because this
21 issue has specifically arisen in those three items,
22 right?

23 MR. STEESE: Correct.

24 AACALJ RODDA: One of them is access
25 to --

1 MR. STEESE: Poles, ducts, conduits,
2 rights of way, correct.

3 But the decision you're rendering here
4 doesn't only affect those.

5 AACALJ RODDA: I understand that.

6 MR. STEESE: I mean, I am curious to hear
7 that really it can happen at any point in time.
8 And it's true Arizona is ahead. If you look at
9 where people are, states are, Nebraska and Arizona
10 are pretty much leading the pack.

11 And we don't want this to become the
12 lowest common denominator which could be possible
13 based on the arguments here being raised. And on
14 top of that, we also heard comments about how no
15 one is going to be prejudiced and that WorldCom
16 says we're going to be prejudiced by premature
17 entry.

18 And there is a lot of issues going back
19 and forth here, and certainly we'll get them all
20 out on the table.

21 We want in as soon as possible. And
22 WorldCom and AT&T would say they want it even if
23 they're not ready. And irrespective of the truth
24 of that, the flip is equally true. And that is
25 AT&T and WorldCom are the two primary long distance

1 carriers, and according to reports done by an
2 independent party here in the not too distant past,
3 just a few weeks ago, the revenue opportunity for
4 Qwest is \$1.7 billion a year region wide.

5 So who is that going to come from? It's
6 going to come from AT&T and WorldCom primarily.

7 And so there needs to be a balance here,
8 which is exactly what we're saying. Bring your
9 issues. If there are truly new issues that come
10 up, new facts, new law, bring them in, we'll deal
11 with them. But to create an incentive to not bring
12 issues.

13 And if there was a way that we could show
14 people were operating in good faith, that would be
15 great. But the simple fact is, I mean what are we
16 going to have? Exactly what we have today and that
17 is the law was out there and you didn't raise it.
18 And for us to then take that and say bad faith is
19 going to be very difficult.

20 And we'll raise those issues and say the
21 law was out there, but under the proposals that are
22 being propounded here by the intervenors, you know,
23 the issue would be dealt with in earnest anyway
24 even if the law was there for them to see. So it's
25 going to be impossible for us to show their true

1 motivation.

2 And the simple fact is if you require
3 them to bring forth the material now, I think all,
4 everything will be resolved. I mean people will
5 bring their issues.

6 AACALJ RODDA: Mr. Dixon.

7 MR. DIXON: Judge, I have a couple
8 comments.

9 First of all, recognizing the motivations
10 of parties, that is who wants in the market and who
11 wants out, Qwest talks about the \$1.7 billion long
12 distance market. Obviously the local market is
13 also one that has numbers of a similar vein in
14 terms of what's available.

15 But I want to make it clear for the
16 record as it relates to WorldCom, WorldCom did not
17 oppose the New York 271 application because it was
18 satisfied that the Incumbent Local Exchange Carrier
19 had in fact set up the necessary legal requirements
20 to comply with 271 approval.

21 So I want to point out from WorldCom's
22 perspective, we don't just oppose every application
23 to keep Qwest out of the market. We focus on
24 whether they have properly opened their local
25 market as required under the Act, the necessary

1 precondition to their entry into the long distance
2 market.

3 And I can assure Qwest and this
4 Commission that if Qwest meets the obligations that
5 happen in New York, once again, it would be very
6 unlikely that WorldCom would oppose such an
7 application.

8 The issues here that we're dealing with,
9 some of them are newer and came up after the New
10 York process and continue to be worked on, but the
11 bottom line is our goal is not simply to oppose
12 Qwest's application, nor is our goal one to delay
13 the process. We have in fact expedited this
14 process of late. We continue to move these
15 schedules up and work with parties on how to
16 address the issues even though the odds of us
17 getting done in this state are probably another
18 several months away before we get through all the
19 Workshops and the OSS test, even among the
20 performance assurance antibacksliding process.

21 But we continue to handle this Workshop
22 on an expeditious basis, recognizing they are going
23 on in five other forums, four other forums,
24 Colorado, Washington, Oregon and then the
25 multistate. So basically we're dealing with

1 something that addresses roughly 12 states. And
2 we're trying to interact with all of these states
3 in all these Workshops.

4 The good news is Arizona was well out
5 ahead when it came to what we call non-OSS
6 checklist items, which is what has generated this
7 activity. Those checklist items were three, seven
8 through 10 and 12 and 13. The other states and
9 Arizona are closing the gap, if you will, on
10 interconnection and collocation which dealt with
11 checklist items one and 14. And in fact Colorado
12 and Arizona will be briefing those issues within
13 two days of each other, Washington has already
14 completed briefing those issues.

15 So I think the problem we've encountered
16 on the non-OSS items which started well in advance
17 of other states is mitigated substantially by the
18 fact that the Workshops with the other states have
19 become much more compact. We will literally finish
20 another state in a very short period of time as we
21 are Arizona.

22 So I think the situation we're confronted
23 with here is also a function that, as Mr. Steese
24 points out, we were doing, we were doing the
25 Workshops on these non-OSS items that generated

1 this activity almost a year ago. And in fact,
2 whereas these other items tend to be, as I said,
3 compacting among states, we'll do loops today here,
4 we'll be doing loops in April in Colorado; we've
5 done UNE-P here, we're doing UNE-P in Colorado in
6 two weeks; we've already done one Workshop in UNE-P
7 in Colorado.

8 So my point is these schedules are
9 compacting, and I don't think we'll encounter these
10 on a going-forward basis because of the fact that
11 the Workshops are so closely scheduled where the
12 first ones in Arizona were well out ahead of
13 everybody else.

14 AACALJ RODDA: Let me ask either
15 Mr. Wolters or Miss Scott: Let's just take this
16 example, just as sort of an example, although it's
17 the most concrete one I have, this is access to
18 poles. And there seems to be an issue of law, I
19 mean, I think I've heard today that whatever case
20 is being relied on existed while Arizona was
21 negotiating--

22 Anyway, what would be the process under
23 AT&T's proposal is that AT&T or the CLEC would
24 raise the issue with Staff, and what would Staff do
25 and where does hearing come in.

1 MS. SCOTT: I think the CLEC would bring
2 back the record from the state that impasse was
3 declared, file that along with a supporting brief
4 with the Staff, and other parties would then have
5 seven days to comment.

6 Staff would then have 10 days to put
7 together a supplemental report, and since these
8 issues are disputed, the process provides that
9 Staff will prepare its proposed recommendation to
10 the hearing division and then the hearing division
11 may require briefs on Staff's recommendation, but
12 the hearing division makes the ultimate
13 determination on the issue. We just provide you
14 with the recommendation.

15 AACALJ RODDA: Okay, which may or may not
16 be or the hearing may or may not decide that it
17 should be, I mean.

18 MS. SCOTT: The hearing division may
19 decide that Staff's proposed report is the way to
20 address the issue or it could decide to modify the
21 findings or incorporate different findings.

22 MR. DIXON: Judge, may I respond to that
23 just briefly?

24 AACALJ RODDA: Briefly.

25 MR. DIXON: I think the answer is exactly

1 what happened. If you follow the procedural order,
2 Staff issued a report, we raised the issue. Had
3 we, again if we waited until the very end to do
4 something, it would be a different story. But I
5 think once that proposed report is issued, that to
6 the extent there is anything missing from any other
7 Workshop or whatever, that's when it was raised and
8 that's when it should be raised.

9 So that it is, obviously I indicated
10 earlier -- I'm trying to respond to nodding heads
11 from Miss Scott -- clearly intends to raise
12 everything in the Workshops. But if we ran into
13 something that came after the fact, the process we
14 used here was to raise it at the time we were
15 advised of what the report would be looking like
16 and we were working under the procedural order at
17 that point.

18 AACALJ RODDA: Miss Scott.

19 MS. SCOTT: I would just like to respond
20 very briefly also.

21 That's why we agreed with AT&T, the point
22 that Mr. Dixon has just raised, we would want some
23 time line imposed so that, for instance, parties
24 couldn't wait until we issued our report or after
25 to first raise an issue.

1 The standard that we would want to see
2 adopted would be that once the issue is declared at
3 impasse in another state, the parties have 10 days
4 to bring that record back and to file their brief
5 with the Staff.

6 MR. DIXON: Your Honor, I indicated
7 earlier I agreed with Staff's proposal. I just
8 went, in general I was trying to explain how we had
9 done it the last go around here. I have agreed
10 already with the proposal, once it goes to impasse
11 in other states, we have a period of time to
12 address the issue here.

13 AACALJ RODDA: When you talk about seven
14 days or 10 days, are you talking calendar or
15 business?

16 MR. WOLTERS: AT&T is talking calendar.
17 Excuse me, business days.

18 MR. DIXON: I was going to say, your
19 motion says business.

20 MR. WOLTERS: 10 days is essentially two
21 weeks then.

22 MS. SCOTT: That would be acceptable to
23 Staff.

24 MR. WOLTERS: Before you close, I'd like
25 to wrap up.

1 AACALJ RODDA: Okay.

2 MR. WOLTERS: If you have no more
3 questions.

4 I think Mr. Steese and Mr. Dixon did a
5 pretty good job of trying to explain the process,
6 but I'm going to take one more stab at it.

7 I think what I want you to be aware of is
8 how this process has worked and is that Qwest has
9 filed an SGAT and is essentially relying on that
10 SGAT to show that it meets the checklist items and
11 complies with 251.

12 Now it hasn't made a real big point to
13 relying on its interconnection agreements because
14 there is a lot of new issues that have come up
15 since those interconnection agreements and FCC
16 orders they have to show that they comply with. So
17 the parties are pretty much focused on the SGAT.

18 Now what happens is you get in these
19 Workshops and you start having discussions about
20 the SGAT and parties ask questions and it's very
21 open and free flowing and I think very conducive to
22 the issues you're trying to discuss.

23 But you have to understand this is
24 Qwest's SGAT language, and you can try your best to
25 think of all the questions, but you may not. And

1 you may go to Colorado next and somebody asks the
2 question and it creates an answer and you go wait a
3 minute, I can't agree with that, that's not the way
4 I understood the process to work in your SGAT or
5 that's not the way I understood that, that section
6 to mean.

7 And it would not, it would be a very
8 laborious process if we went and asked every
9 sentence in the SGAT what they thought it means.
10 And I mean we have gone through every section, and
11 we have where there is questions that are asked.
12 But you can't anticipate the answers to questions
13 that you don't ask.

14 So, for example, in another state
15 somebody may ask questions that will raise an
16 entirely different line of questioning that didn't
17 come up in Arizona but raises an issue. And you
18 say right away, well if I, I can't agree with that,
19 you're in dispute, you go to impasse.

20 Now to assume that those lines of
21 questioning should come up in every jurisdiction is
22 not realistic. It's an ongoing process and you
23 have to understand the nature of the process. So
24 the question is, then, does Arizona go back and
25 address those issues.

1 Now the options you have are no and yes.
2 If you don't address those issues, then when you go
3 to the FCC the Arizona Commission has not rendered
4 any decision or any, passed any type of judgment on
5 that dispute. There is no record and the FCC has
6 to make no deference to the Arizona Commission
7 because they have not addressed the issue.

8 If you do address the issue, then the FCC
9 will look to see if the Commission has addressed
10 the issue and give it some deference depending on
11 the way it was addressed and whether the record was
12 adequate. The questions is do you want that
13 deference.

14 If you ignore and say we will not address
15 any other issues raised in other states that went
16 to impasse, you will not have that opportunity nor
17 will you give the Commission that opportunity. So
18 that's a realistic thing you have to recognize.
19 And I think Staff picked up on that in their
20 response.

21 They realize that they can't very well
22 say we can't raise the issue at the FCC if we were
23 precluded from having the opportunity before the
24 Commission. If they are precluded at the
25 Commission, we should have every opportunity to

1 raise it at the FCC.

2 So they recognize two things, deference
3 given the Commission and the fact they would like
4 to have the Commission deal with it first.

5 Now as far as this whole issue about
6 prejudice, almost all the jurisdictions, from what
7 I can tell looking at the schedules, pretty much
8 conclude by the end of July, maybe a Workshop in,
9 or two in August, but pretty much the process is
10 ending at about the same time.

11 The ROC will not be finished by that and
12 the OSS test in Arizona is not scheduled to be
13 completed before the end of July so I don't see
14 this as somehow prolonging the process.

15 If something comes to pass in one of the
16 other states with 10 business days it's going to
17 bring the issue back to Arizona pretty fast and
18 have an opportunity to deal with it. So this is
19 not like a game breaker where if we do have this
20 process, somehow we've unfavorably, can somehow
21 prolong this process indefinitely to Qwest's
22 disadvantage. I mean there is finality in the
23 process proposed by AT&T.

24 So I think this whole notion that somehow
25 we're going to keep them out of the long distance

1 business and keep them from getting \$1.6 billion is
2 not really an issue. There really isn't that
3 opportunity the way the schedules are built to do
4 that.

5 And I think more importantly, the issues
6 are really in the control of Qwest and will always
7 be in the control of Qwest because they're the ones
8 that have to show compliance, they're the ones that
9 have to pass the OSS test.

10 So I don't think what we're proposing
11 here is anything that can be used as an opportunity
12 to delay. And frankly, I haven't seen that's been
13 done. I just have not seen the parties as a whole
14 in this process attempt to delay the process. And
15 frankly, I think Qwest has been more than willing
16 up to this point to take on the issues that parties
17 raised and sometimes not always up front.

18 I mean sometimes the issues come up
19 during discussions in the Workshops and they have
20 been very, very, very helpful and willing to
21 address those issues. So I think process is
22 working.

23 I think what AT&T is trying to do is add
24 one little thing to the process to make sure there
25 is a way to deal with these issues so when Staff

1 gets the Staff report and someone raises a new
2 issue, it doesn't put them in a position where how
3 do I address this issue, that wasn't in my record.

4 So I really think what AT&T is trying to
5 do is propose a process to address issues, I don't
6 think it's harmful, and I would hope that the
7 Commission would give itself an opportunity to
8 address those issues before going to the FCC
9 instead of after.

10 Thank you.

11 AACALJ RODDA: Thank you.

12 MR. STEESE: I have one.

13 MR. WOLTERS: I object to any more
14 discussion.

15 AACALJ RODDA: It's hard on the phone a
16 long time, isn't it?

17 MR. STEESE: Literally less than one
18 minute.

19 MR. WOLTERS: Go ahead.

20 MR. STEESE: I'm very familiar with the
21 impasse issues from checklist items three, seven,
22 and 10 and not one of them is endangered by what
23 Mr. Wolters described in the next state and then we
24 go oh, we didn't understand. They're all issues
25 that were either discussed or not raised until the

1 next state and they were raised on the merits in
2 the first instance which they could have been
3 here. So none of those situations apply to the
4 impasse issues we have, not one.

5 Next, the FCC has addressed the very
6 concern that Mr. Wolters raised, and that is to the
7 extent that an issue is even raised in a state, the
8 FCC has even said oh, your deference is gone. They
9 have said you should have raised it down there and
10 it's gone. And so it's the exact opposite. There
11 is more deference given to CLECs if they raised it
12 in the first instance, there is less if they
13 didn't.

14 And last one of the --

15 MR. WOLTERS: I would just like one
16 point. May I respond to that?

17 AACALJ RODDA: He is still talking.

18 MR. STEESE: Last one of timing.

19 Mr. Wolters correctly said when the Workshops are
20 going to end, but that assumes the process ends
21 there. We have to go through the Workshops and
22 then we have to go take impasse issues in front of
23 the hearing division and then get them up in front
24 of the Commission.

25 And so we're already going to struggle to

1 finish this process in a time frame that is
2 contemporaneous with the OSS test which was
3 everyone's objective. And now what we're going to
4 do is take more issues and give them to you and to
5 the Commission, which we think is going to engender
6 delay which is the concern.

7 I mean if it ends with the Workshops we
8 probably are on track, but there is a period of
9 weeks after that where we have more that we have to
10 do. And we have to bring our impasse issues here,
11 we have to get the impasse issues up to the
12 Commission. So we do think there is timing
13 concerns.

14 And that's all I had have. I apologize
15 for that.

16 AACALJ RODDA: Mr. Wolters.

17 MR. WOLTERS: I would just like to say I
18 think what happened here is that some issues have
19 been discussed that were raised in the earlier
20 Workshops, but I think what I'm trying to discuss,
21 my motion discusses the process, and that's what
22 I'm trying to implement.

23 And I don't think that we should be
24 sitting here trying to argue the merits of
25 particular issues, but look at what the, a process

1 warranted to address disputed issues that have come
2 up in other states. I think that's important.

3 And as far as whether issues that haven't
4 been raised at the states cannot be raised at the
5 FCC, I tend to disagree with Mr. Steese's
6 characterization of FCC's position on that.

7 AACALJ RODDA: We're going to let
8 Mr. Dixon have the last word.

9 MR. DIXON: I just wanted to make one
10 comment for the record. Mr. Steese indicated the
11 Cavalier case was discussed during the negotiations
12 concerning the 45 day rule concerning access to
13 poles, ducts and rights of way.

14 As you may be aware, much of what goes on
15 in these processes is done through e-mail. And I'm
16 looking at a May 18 e-mail where we agreed to the
17 language and the Cavalier case upon which we relied
18 upon was issued June 7, in other words about three
19 weeks later.

20 So while Cavalier was discussed, and I
21 agree with Mr. Steese it's been discussed, it was
22 not in Arizona, it didn't exist when we entered
23 into the agreement in Arizona, it's been discussed
24 in Colorado, Washington and the multistate
25 Workshops.

1 That's all I have.

2 AACALJ RODDA: With that, I'm going to
3 thank you all for enlightening me on this issue,
4 and I'll take the matter under advisement.

5 MR. WOLTERS: Thank you.

6 MR. STEESE: Thank you.

7 MR. DIXON: Thank you.

8 MS. SCOTT: Thank you.

9 (Proceedings concluded at 12:15 a.m.)

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1 STATE OF ARIZONA)
2) ss.
3 COUNTY OF MARICOPA)

4 I, JANICE SCHUTZMAN, Certified Court
5 Reporter No. 50353 for the State of Arizona, do
6 hereby certify that the foregoing printed pages
7 constitute a full, true and accurate transcript of
8 the proceedings had in the foregoing matter, all
9 done to the best of my skill and ability.

10 WITNESS my hand and seal this 20th day of
11 March, 2001.

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Janice Schutzman

JANICE SCHUTZMAN
CCR No. 50353